



PUBLIC NOTICE

Federal Communications Commission
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DA 17-354
April 13, 2017

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF
HUNT TELECOMMUNICATIONS, LLC, BENCHMARK COMMUNICATIONS, LLC, AND
NEXUS SYSTEMS, INC. TO UNITI GROUP INC.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 17-81

Comments Due: April 27, 2017
Reply Comments Due: May 4, 2017

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Hunt Telecommunications, LLC (Hunt), Benchmark Communications, LLC (Benchmark), Nexus Systems, Inc. (Nexus Systems) (together, Licensees), and Uniti Group Inc. (f/k/a Communications Sales & Leasing, Inc.) (Uniti Group) (collectively, Applicants), pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.03 of the Commission's rules, requesting approval for the transfer of control of Hunt, Benchmark, and Nexus Systems to Uniti Group.¹

Hunt, a Louisiana limited liability company, provides competitive local exchange and long distance services in Louisiana and has a 50 percent ownership interest in Benchmark and a 100 percent ownership interest in Nexus Systems. Benchmark, a Louisiana limited liability company, resells local and long distance services to multiple dwelling units in Louisiana, Mississippi, Alabama, and Florida.²

¹ See 47 U.S.C. § 214; 47 CFR § 63.03. Applicants state that they are also filing applications for the transfer of authorizations associated with international and wireless services. On April 10, 2017, Applicants filed a supplement to their domestic Section 214 application. Any action on this domestic Section 214 application is without prejudice to Commission action on other related, pending applications.

² Licensees are owned as follows by four U.S. citizens: Kevin Hunt (24 percent in Hunt, 24 percent in Nexus Systems, 12 percent in Benchmark); Jason Hunt (24 percent in Hunt, 24 percent in Nexus Systems, 12 percent in Benchmark); Robert Leithman (17.335 percent in Hunt and 17.335 percent in Nexus Systems); Madeleine G. Leithman (14.701 percent in Hunt and 14.701 percent in Nexus Systems). On March 15, 2017, Hunt, Benchmark, and Crescent Affiliates, Inc. (Crescent), a Louisiana corporation that serves as an investor and does not itself provide telecommunications services, filed an application for an unauthorized transfer of control that occurred in January 2014 when Crescent acquired 50 percent of Hunt's membership interests in Benchmark without seeking prior Commission approval. See Domestic Section 214 Application Filed for the Transfer of Control of Benchmark Communications, LLC to Crescent Affiliates, Inc., WC Docket No. 17-67, Public Notice, DA 17-281 (WCB 2017). This application is still pending at the Commission. Applicants state that Crescent will retain a 50 percent interest in

Nexus Systems, a Louisiana corporation, resells telecommunications services primarily to government institutions, hospitals, schools, libraries, and other carriers in Louisiana.

Uniti Group, a publically traded Maryland corporation, is a real estate investment trust that does not provide telecommunications services itself but engages in the acquisition and construction of infrastructure in the communications industry.³ Applicants state that no other person or entity, directly or indirectly, will have a 10 percent or greater post-transaction interest in Licensees. Applicants further state that Uniti Group wholly owns the following entities: Talk America Services, LLC, a Delaware limited liability company that provides competitive telecommunications services in all states and the District of Columbia, except Alaska, California, and Hawaii; Tower Cloud, Inc., a Delaware corporation that provides cellular site backhaul and other telecommunications services in Alabama, Florida, Georgia, North Carolina, and South Carolina; and Uniti Fiber LLC, a Delaware limited liability company providing cellular site backhaul and other services in Ohio and Wisconsin. Uniti Fiber LLC in turn owns PEG Bandwidth and Contact Network, LLC, which provide competitive telecommunications services in multiple states.

Uniti Group seeks to acquire the licenses held by Hunt, Nexus, and Benchmark. Specifically, Yacht Merger Sub, LLC, a Louisiana limited liability company created for the purpose of effectuating the proposed transaction, will merge with and into Hunt, with Hunt surviving the merger as a wholly owned subsidiary of Uniti Group.⁴ Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under Section 63.03(b)(2)(i) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁵

Domestic Section 214 Application Filed for the Transfer of Control of
Hunt Telecommunications, LLC, Benchmark Communications, LLC, and Nexus Systems, Inc.
to Uniti Group Inc., WC Docket No. 17-81 (filed Mar. 24, 2017).

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to Section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before April 27, 2017**, and reply comments **on or before May 4, 2017**. Pursuant to Section 63.52 of the Commission's rules, 47 CFR § 63.52, commenters

Benchmark after consummation of the Uniti Group transaction. Applicants further state that Mark L. Guidry and Joan P. Guidry, both U.S. citizens, together wholly own Crescent, each holding 50 percent.

³ Applicants state that, in certain states, Uniti Group leases various telecommunications network assets, including fiber and copper networks and other real estate through "sale-lease back arrangements," to Windstream, an incumbent and competitive local exchange carrier in multiple states. Applicants further state that Uniti Group currently owns 4.2 million fiber strand miles and 486 wireless towers in the U.S. and internationally.

⁴ Applicants provide, as Exhibit A attached to their application, the pre and post-closing structure of the related companies to this transaction.

⁵ 47 CFR § 63.03(b)(2)(i).

must serve a copy of comments on the Applicants no later than the above comment filing date. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.

Pursuant to Section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents in this proceeding using the Commission's Electronic Comment Filing System (ECFS): <http://apps.fcc.gov/ecfs/>.

In addition, e-mail one copy of each pleading to each of the following:

- 1) Myrva Freeman, Competition Policy Division, Wireline Competition Bureau, myrva.freeman@fcc.gov;
- 2) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov;
- 4) David Krech, International Bureau, david.krech@fcc.gov; and
- 5) Sumita Mukhoty, International Bureau, sumita.mukhoty@fcc.gov.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), 1-888-835-5322 (tty).

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

For further information, please contact Myrva Freeman at (202) 418-1506 or Gregory Kwan at (202) 418-1191.

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